

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7179

BILL NUMBER: HB 1553

NOTE PREPARED: Jan 8, 2011

BILL AMENDED:

SUBJECT: Political Telephone Calls.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that certain information must be disclosed to an individual called during a telephone call for a political communication. The bill defines "political communication" as a telephone call that expressly advocates the election or defeat of a clearly identified candidate. The bill provides that a telephone call for a political communication may not be made on the day of a primary, general, or special election or within five (5) days immediately preceding a primary, general, or special election.

The bill provides that a telephone call for a political communication may not be made to a telephone number on the "do not call" list. The bill provides that these restrictions do not apply to a call made by a: (1) labor organization or other membership organization to the members of the labor or membership organization; or (2) corporation to the officers, shareholders, or employees of the corporation.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary-* The Attorney General (AG) investigates complaints related to violations of the telephone "do not call" list. Given that more violations could occur under the bill, the administrative workload of the AG to record and investigate complaints could increase by an indeterminable amount. There may be more complaints filed in election years than in years without elections. Therefore, non-election years may generate little if any increase in total "do not call" complaints. It is likely, the AG would be able to handle the additional complaints the bill may generate, assuming future budgets maintain the AG's existing level of resources.

Background Information- The Attorney General was appropriated \$806,012 in FY 2010 for telephone solicitation investigations. Disbursements for telephone solicitation investigations totaled \$551,724 during same year.

Explanation of State Revenues: *Summary:* **Civil Penalties-** The AG could seek, from a trial court, civil penalties assessed on political entities that violate the “do not call” list. For a first offense, the penalty in existing law is \$10,000. The penalty for second and subsequent violations is \$25,000 per violation. Revenue from civil penalties assessed for violations of the bill would be deposited into the Telephone Solicitation Fund (TSF).

Civil Actions- If the AG files more civil actions against persons that violate the bill’s provisions, revenue to the state General Fund may increase from court fees.

Background Information- For FY 2011, (July 1, 2010, through December 8, 2010) \$158,516 had been collected in telephone solicitation fees and \$105,216 in penalties had been collected and placed in the TSF. Revenue in the TSF that exceeds \$200,000 at the end of a fiscal year is transferred to the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* **Civil Actions-** If the AG files additional civil actions, the county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: Attorney General, Consumer Protection Division.

Local Agencies Affected: Circuit or Superior Courts

Information Sources: Indiana Auditor of State Budget Revenue Trial Balance.

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